

OFFICE *of the* FIRE COMMISSIONER



2008 ANNUAL REPORT 2009





Mission Statement

To safeguard both persons and property from fire and life safety hazards through education, investigations, emergency response and code application.

Our Values

We believe people have the right to live in safe communities.

We believe in providing the best possible programs and services to our clients.

We believe being responsible for our organization and in our organization being fair, effective and efficient.

We believe in the loyalty of our people and value their continued development.



Base camp in Churchill, MB



Minister of Labour and Immigration

Edgewood Building
Winnipeg, Manitoba R3C 0V8
203-438-2222

His Honour the Honourable Philip S. Lee, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8



Your Honour:

I have the privilege of presenting the thirteenth Annual Report of the Office of the Fire Commissioner for the fiscal year ended March 31, 2009.

Respectfully submitted,

Nancy Allan
Minister of Labour and Immigration

Manitoba



Labour and Immigration

Deputy Minister of Labour and Immigration
311 Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8
T 204-945-4039 F 204-945-2203
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Honourable Nancy Allan
Minister of Labour and Immigration
Room 317 Legislative Building
Winnipeg MB R3C 0V8

Minister:

I am pleased to submit, for your consideration, the thirteenth Annual Report of the Office of the Fire Commissioner for the year ended March 31, 2009.

The Board and Management continue to strive to meet the important organizational mission of safeguarding both persons and property through education, investigations, emergency response and code application.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "JP" followed by a stylized flourish.

Jeff Parr
Deputy Minister and Chairperson of
the OFC SOA Advisory Board

OFFICE *of the* FIRE COMMISSIONER



Jeff Parr
Deputy Minister of Labour and Immigration
Room 311 Legislative Building
Winnipeg MB R3C 0V8

Dear Chairperson:

I am pleased to submit for your review the 2008/09 Annual Report of the Office of the Fire Commissioner for the year ended March 31, 2009.

Highlights of the year:

- Non-levy revenues represent 45 per cent of revenues, up from 21 per cent in the first year as a SOA;
- The Agency applied for and received federal and provincial grants to cover costs associated with hazardous materials and heavy urban search and rescue initiatives;
- In partnership with Manitoba Aboriginal and Northern Affairs, the Office of the Fire Commissioner is in its fourth year of a fire protection strategy to enhance fire protection services in northern and remote communities;
- Significant expansions have been made at the Brandon facility, allowing for additional staff and emergency services training opportunities;
- Through the Manitoba Emergency Services College over 4500 individuals were certified in emergency management and response;
- Fire investigators investigated over 690 fires in 2008/09;
- The Agency participated in over 25 emergency responses.

Through our continued commitment to enhance the level of public safety in the Province of Manitoba, the Office of the Fire Commissioner will continue to be a leader in the emergency services community.

Yours truly,

Douglas M. Popowich
Fire Commissioner



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SPECIAL OPERATING AGENCY ADVISORY BOARD

The role of the Advisory Board is to provide advice on the Agency's strategic operations and on changes to its mandate, structure, business practices and finances. The Advisory Board reviews and comments on all Agency's proposed business plans, quarterly and annual reports.



MESC Conference 2008

The Advisory Board consists of the following individuals:

JEFF PARR

Board Chair

Ex Officio

Deputy Minister,

Manitoba Labour and Immigration

DOUGLAS POPOWICH

Ex Officio

Fire Commissioner,

Office of the Fire Commissioner

Members

KEVIN BRISCOE

Client Representative

ING Insurance

RALPH GROENING

Association of Manitoba Municipalities

Councillor, RM of Morris

WAYNE SHERWOOD

Client Representative

GORD FAVELLE/DICK HARVEY

Agency Staff Representative

Manager CISM,

DENNIS NODRICK/DANNY THORSTEINSON

Client Representative

Manitoba Association of Fire Chiefs

Office of the Fire Commissioner

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AGENCY PROFILE



Manitoba Urban Search and Rescue Team CAN TF-4

Historical Perspective

The Fires Prevention Act originally created in 1872 for the prevention of prairie fires, included the authority to conduct fire investigations. In 1876 the first Fire Commissioner was appointed to administer and enforce this Act. In 1885 the Act was amended to include fire protection of wooded lands. In 1940, the Act was separated into two parts. Part I dealt with forest fires and Part II outlined the responsibilities of the Fire Commissioner in the area of fire prevention. In the early 1960's, training of fire fighters was included in this Act. Part I of the Act was replaced with the new *Wildfires Act* in 1997.

As a result of the tragic events on September 11, 2001, Bill 2, *The Security Management (Various Acts Amended) Act* received Royal Assent. This Act mandated the OFC to respond to all emergency situations to ensure that a sufficient incident management system is in place and operational. It provides the Fire Commissioner with the authority to take whatever action necessary to save lives and property. As a result, *The Fires Prevention Act* was changed to *The Fires Prevention and Emergency Response Act* (FPERA). This Act was recently amended (November 1, 2006) to further update and enhance the authorities of the Fire Commissioner and local authorities.

In addition to the responsibilities of the FPERA, the Agency is responsible to ensure administration of *The Building and Mobile Homes Act*. This responsibility was first introduced in 1877 through *The Manitoba Public Buildings Safe Egress Act* and was followed by *The Manitoba Public Building Act* in 1884. The focus of both these Acts was the assurance of safe public assembly buildings and means of egress. The proliferation of building codes and standards resulted in the introduction of *The Buildings and Mobile Homes Act* in 1974, which came into effect on April 1, 1977.



Organizational Services

The services provided are allocated into the following six sections:

Administration

Through the Fire Commissioner, the Administration Section provides overall leadership and direction to the organization. All planning for fiscal, operational, human resource management and policy development is the responsibility of this Section.

Emergency Services/ Municipal Support

Provides consultative services and support to the municipal fire service in the areas of fire department management and operations, fire prevention inspections, public education and fire investigations, as well as provides support to the province-wide mutual aid system.

Education and Training



Provides comprehensive emergency services training, public education, Critical Incident Stress Management (CISM), and emergency medical training through the Manitoba Emergency Services College (MESC) or local community-based trainers.

Codes and Standards



Provides building plan review, code enforcement, consultative services, verifies permit applications, and provides advice in the development of the Manitoba Building, Fire and Plumbing Codes.

Fire Investigations



Determines the origin and cause of all fires referred to the Agency.

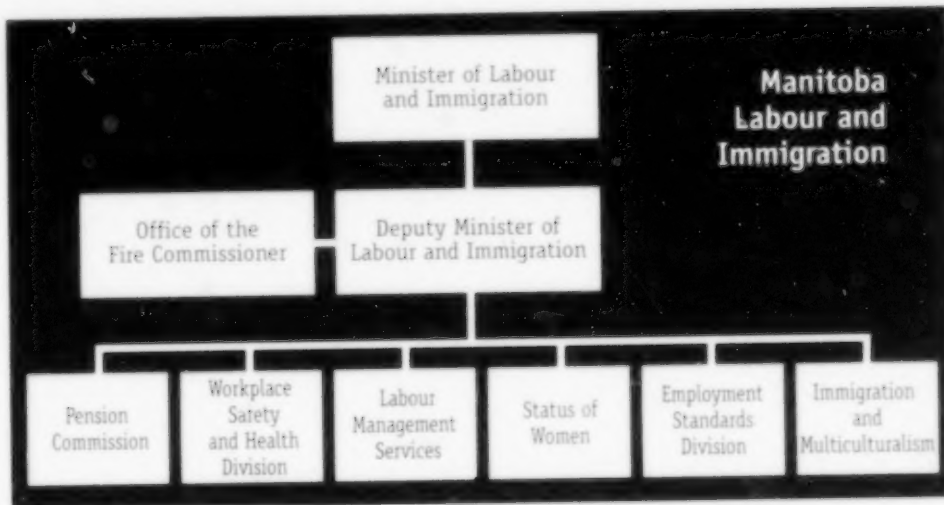
Emergency Response



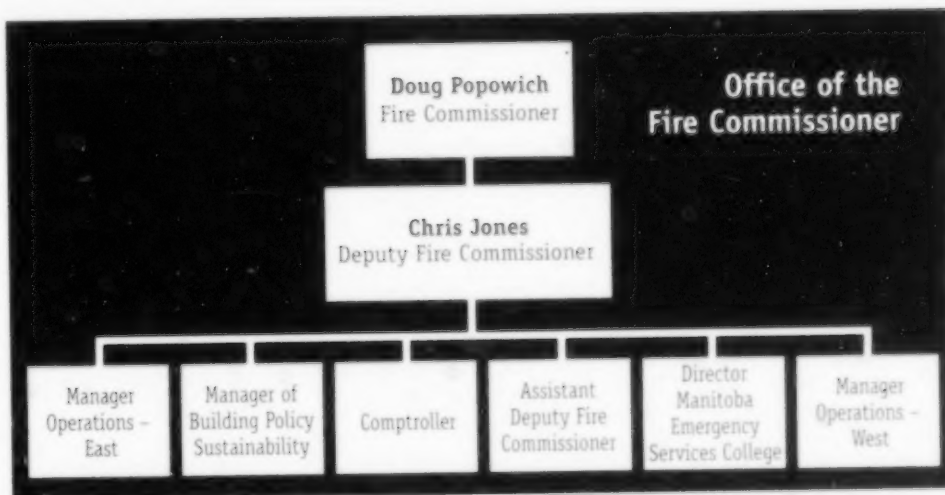
Provides Emergency Response services to the Province of Manitoba to assist with the operation and mitigation of major emergency incidents that are larger than Municipal capabilities, too technical in nature for Municipal resources, or of a provincial nature.

Organizational Structure

The Office of the Fire Commissioner is an Agency within Manitoba Labour and Immigration and reports directly to the Deputy Minister of Labour and Immigration as illustrated in the following organizational structure.



The following organizational structure has been defined for the Agency.



During the 2008/09 year the Agency has increased its staff complement to 71. The Fire Commissioner reports to the Deputy Minister of Labour and Immigration and acts as the Agency's Chief Executive Officer. The Fire Commissioner provides overall supervision and guidance to the Agency with the assistance of a Deputy Fire Commissioner. The senior management team provides the day to day management of the organization and consists of managers from each section. The Agency has offices in Winnipeg, Brandon, Thompson, The Pas and Dauphin.



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PROVINCIAL FIRE STATISTICS

FFV Study with MESC Instructor

During 2008, Manitoba reported 5,391 fires. The number of fires decreased by 546 or 9 percent over 5,937 reported in 2007. Property damage has increased by \$36,470,367 or (30 percent) over last year's figures. There were twenty-two fatalities, a decrease of 6 from the 28 reported in the previous year. Injuries stand at 231, a decrease of 62 injuries, from the 293 reported last year.

Fires in Manitoba resulted in an estimated \$157.3 million in property damages during 2008. Forty-five major loss fires (damages of \$500,000 and over) accounted for \$79.1 million (50 percent) of the total estimated property loss in 2008. During 2007 Manitoba recorded 37 major losses with damages of \$52.3 million.

During 2008, 22 people (16 adults) perished as a result of 15 fires in the Province. Thirteen of these incidences were home fires which resulted in 19 fatalities (86 percent).

While the cost of fires in terms of injury, death and property loss is high, it must be compared to the costs saved in lives and property as a result of the efforts of the Manitoba Fire Service. During 2008, an estimated \$3.0 billion in property was saved as a result of the containment and suppression of fires. In addition, the Manitoba Fire Service reported assisting in the evacuation of approximately 781 individuals from fires.

The Number of Fires In Manitoba:

Number of Fires per 100,000 population

	2008	2007	2006	2005
Manitoba	450	469	483	424

The Cost of Fires to Manitoba:

Property Loss per capita

	2008	2007	2006	2005
Manitoba	131.25	95.42	92.61	92.75

Injury Rate per 100,000 population

	2008	2007	2006	2005
Manitoba	19.27	23.13	29.97	30.99

Death Rate per 100,000 population

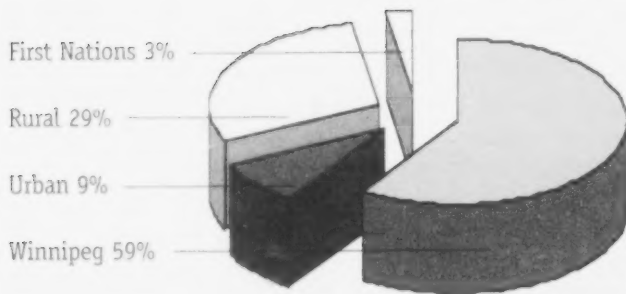
	2008	2007	2006	2005
Manitoba	1.83	2.21	1.35	1.44

The Location of Fires in Manitoba

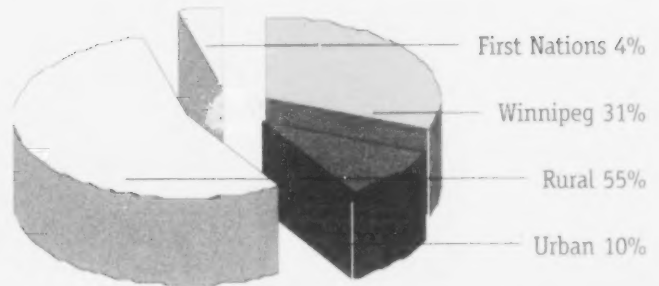
Distribution of Fires

	2008	2007	2006	2005
Winnipeg	3,204	3,450	3,867	3,470
Remainder of Province	2,187	2,487	2,168	1,830

2008 Manitoba Fires



2008 Manitoba Property Damage



The City of Winnipeg accounts for 59 percent of reported fires and 31 percent of property damages in Manitoba. During 2008, 2,322 or 72 percent of Winnipeg's fires involved outdoor property, primarily rubbish and grass fires. Of these outdoor property fires, 1,233 or 53 percent were intentionally set or of a suspicious nature.

Rural Manitoba reported 41 percent of the fires and accounted for 69 percent of property damages.

During 2008 there were 5,391 fires which caused \$157,371,338 in damages. Outlined below are the percentages of fires and damages by four major causes: accidental, arson, suspicious, and undetermined.

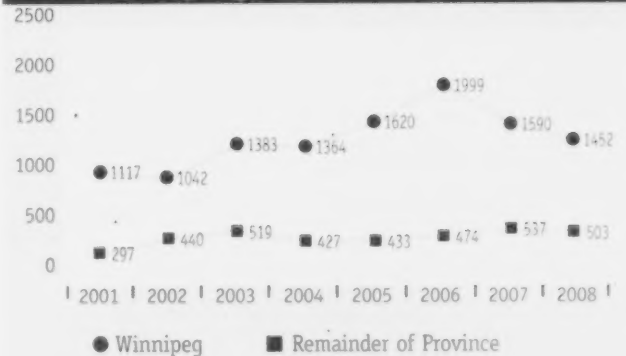
During 2008 the City of Winnipeg reported 1,452 incidents which were determined to be incendiary or suspicious in nature; this depicts a decrease of 9 percent or 138 fires below the 1,590 incidents in 2007. The remainder of the Provincial fires determined as arson suspicious decreased to 503 for a decrease of 6 percent or 34 below the 537 reported in 2007.

The Arson Strike Force and Youth Fire Stop Program remain dedicated to reducing the losses in both the City of Winnipeg and the remainder of the Province.

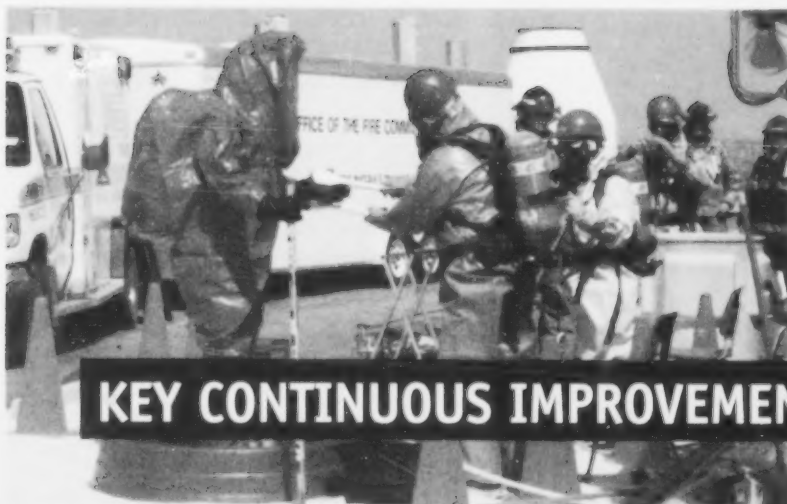
Causes of Fires

	Fires	Property Damage
Accidental	39%	68%
Arson	9%	9%
Suspicious	27%	3%
Undetermined	25%	20%

Manitoba Arson/Suspicious Fires 2001-2008



Brandon Low Head Dam Rescue



KEY CONTINUOUS IMPROVEMENT OBJECTIVES

Hazmat Technical Course

The Agency identified several goals for the 2008/09 business plan year. These goals form the organization's action plan for each section. The following information provides an overview of the current status of each section's goals and objectives.

ADMINISTRATION

3.1.1 To continue to develop the necessary regulations to support the new FPERA.

The Fires Prevention and Emergency Response Act (FPERA) was proclaimed on November 1, 2006. In development of this legislation, extensive consultation with the Association of Fire Chiefs (MAFC), the Association of Manitoba Municipalities (AMM) and other key stakeholders was undertaken and significant improvements have been implemented. Roles of local assistants, municipalities and municipal officials under the legislation have been expanded and there has been clarity provided surrounding the role of the OFC in fire and other emergencies and disasters. The amendments further clarify the role of municipalities in public safety in the province and improve the powers of local officials in dealing with fire and life-safety risks in their jurisdiction through several measures including the adoption of the Manitoba Fire Code and enforcement of inspections.

Another very important piece of legislation that falls under the responsibility of the OFC is *The Buildings and Mobile Homes Act*. This legislation outlines the requirements of the Manitoba Building and Plumbing Codes and provides the direction for municipalities on the enforcement of codes and standards related to building construction. Municipalities receive their designation to perform building permit reviews and the Agency is responsible to ensure that the local municipality is following those rules.

During the 2008/09 year the OFC has worked with stakeholders to continue the development of regulations under the FPERA respecting certification of emergency personnel and incident management requirements. This work will continue during the 2009/10 year. The regulation under *The Buildings and Mobile Homes Act* respecting recreational vehicle compliance has entered the drafting stage. During the 2009/10 year, work will also commence on regulations regarding the designation of municipalities and qualifications of building officials.

3.1.2 To provide a report for Phase 2 of the expansion of the OFC's Brandon facility.

The Manitoba Fire College was established in 1975 by the OFC to assist the Manitoba Municipal Fire Service with training and education. At that time the Manitoba Fire College was offering courses at the Agricultural Extension Centre in Brandon. In 1985 the Manitoba Fire College was built and seven OFC staff moved from the provincial building into the new Manitoba Fire College. In 1986 the Fire College offered the first full-time pre-employment program in Canada. This first program graduated 11 students. The Fire College also issued 620 certifications to municipal fire departments. In 1994, the province expanded the Fire College by adding on seven classrooms, a state of the art theatre, a boardroom and student lunch room to the existing facility. The Fire College was also given a new name, the Manitoba Emergency Services College (MESC). The MESC now graduates 64 full-time Public Fire Paramedic Program (PFPP) students and issues over 4,000 other certifications a year. In 1997 the province again expanded the MESC and built the Practical Training Site. This site is used by the MESC, fire departments from across Manitoba and industry. The facility is now home to the 37 full-time OFC staff headquartered in Brandon. As well, the MESC provides support to more than 100 casual staff (instructors) and is utilized by several organizations in the province.

With the increased growth shown in the past years, the OFC is now facing several challenges with respect to housing of

staff, classroom availability and emergency response equipment storage. Currently the OFC is renting an ATCO trailer to house eight of the full-time staff as the office space is not large enough to handle the staff in the facility. The OFC has developed a client base that includes all municipalities emergency response services, Regional Health Authorities (RHA), as well as industry and policing agencies. To continue the growth is paramount to the success of the OFC and a long-term investment in both storage facilities and office space has assured that the OFC will continue the ability to expand the programs and services offered through the facility in Brandon.

Phase 2 of the construction of office and arena space is currently underway and will be completed in the second and third quarters of 2009/10.

3.1.3 To continue to monitor and develop the Agency's short and long-term capital plan.

In previous business plans, the Agency identified a capital replacement figure based on generally accepted accounting principles reflective of the Agency's amortization rates. As the Agency continues to provide more services and acquire more equipment the need to develop a longer-term plan was identified. With respect to this need, the Agency developed a detailed three-year plan.

The OFC has proceeded with the identified capital purchases and will update the plan in subsequent quarterly reports and business plan submissions.

MUNICIPAL SUPPORT

3.2.1 To continue to assist municipalities with Fire Code enforcement of all high hazard and public assembly occupancies as

mandated in the FPERA.

Although municipalities are required to provide fire protection services, they are

allowed to decide how and what services they provide. Providing fire inspections is an effective method of providing fire protection but is a service not provided by a large number of municipalities across the province.

Legislation has been passed that requires all municipalities to adopt the Manitoba Fire Code and a regulation passed on June 1, 2007 outlines the buildings required to be inspected.

The OFC has developed this regulation with key stakeholders from the MAFC and AMM. The Agency will continue to support any municipality asking for assistance in performing inspections when requested and has begun to provide more training programs related to fire inspections in the first quarter. The Agency continued this assistance for the remainder of the 2008/09 year.

3.2.2 To continue to work directly with municipal councils in an effort to educate elected officials of their responsibilities regarding the provision of fire protection and emergency response services.

The Agency recognizes the importance of assisting municipal councils in understanding their responsibilities for the provision of fire



Iqaluit Fire Fighters in training

protection and emergency services. With approximately 50 percent of municipal officials changing every four years, as a result of municipal elections, the Agency has noted a need to continually educate councils on the issues and responsibilities associated with operating a fire protection force.

The Agency will continue to host presentations for municipal officials relating directly to their responsibilities in providing effective fire protection services and report in the overall performance measures. As well, the Agency will continue to work closely with the AMM in an effort to ensure a consistent message is provided to all municipalities.

EDUCATION AND TRAINING

3.3.1 To continue to enhance, develop and support training and education opportunities in the more remote locations of the province.

The remoteness of some areas within the province has a negative impact on the ability for people to travel to facilities such as the MESC. The Agency will continue to assist and support remote communities through partnerships such as the joint Aboriginal

and Northern Affairs (ANA) program and utilization of the Thompson facility and will continue to build upon education and support services in the areas of fire protection, emergency response, hazardous materials response and incident command in order to better serve the region.

3.3.2 To continue to ensure that education and training programs meet the diversity of our clients.

The Agency continues to promote a marketing plan that was developed to assist with the recruitment of Aboriginal people to the PFPP. To assist in this task, the Agency sought the services of an intern of the Aboriginal Management Development Program. Partnership agreements and a Memorandum of Understanding (MOU) were established between the Agency, the Manitoba Assembly of Chiefs and the Manitoba Métis Federation. The Agency put in place a half-time liaison officer to deal specifically with Aboriginal issues.

The Agency has been working towards establishing links for cultural and diversity training and will be monitoring the increase in Aboriginal participants in the PFPP to ensure that all partnership objectives are maintained.



Hazmat exercise in Thompson, MB

CODES AND STANDARDS



3.4.1 To continue to explore the development of energy and water efficiency/conservation codes or objectives in the Manitoba Building and Plumbing Codes.

One of the emerging areas of code consideration is the development of minimum objectives related to energy and water efficiency/conservation. The Agency has recently been

involved in several meetings with members from Science, Technology, Energy and Mines (STEM), the National Building Energy Code Collaborative and members from various energy/water efficiency advocates.

In addition, the Province of Manitoba has implemented a Green Building Policy for buildings which are being constructed with provincial funds. Currently the administration and enforcement of the Manitoba Green Building Policy falls under the responsibility of this section.

The Agency was part of a committee that provided key recommendations on the next steps to moving towards energy efficiencies through code development and application and in the first quarter the consultations on this matter were completed. These recommendations were released in the second quarter and the Manitoba Building Standards Board (BSB) has developed two technical subcommittees that worked on

code provisions during the 2008/09 year. The outcomes and recommendations of the subcommittee will be brought forward in 2009/10.

3.4.2 To develop the training and education programs necessary to continue to support codes and standards officials in the province.

The *Building and Mobile Homes Act* provides that municipalities have a responsibility to enforce Part 9 of the Manitoba Building Code as well as Part 3 where delegated. To assist in ensuring that building officials are appropriately trained and educated in code enforcement, the Agency will be working with the BSB to identify any training gaps.

Currently through the MESC, the Agency provides training and education programs for codes officials however these programs are based on an Ontario model. As the Agency moves forward on this review, consideration will be given to developing and establishing a Manitoba-made model of training.

Through a complete review of training requirements and programs in cooperation with the BSB, the Agency will be developing programs for both Part 9 and Part 3 building officials. These programs will assist in ensuring that when a municipality is

delegated code enforcement responsibilities, it will meet acceptable training standards. This program development began in 2008/09 and will continue in 2009/10.

3.4.3 To develop a regulation outlining the requirements necessary for both Part 9 and Part 3 building code enforcement delegations.

The issue surrounding delegation of authority for administering Part 9 and Part 3 administration of the code has been an area under *The Buildings and Mobile Homes Act* that is unclear and not well documented.

Although delegation of authority under Part 9 is automatically granted under the current Act, the process to evaluate the appropriateness of this delegation is not considered. In addition, municipalities that would like to embark on delegation for Part 3 do not have a clear guideline to follow.

The development of a regulation which will outline the requirements of municipalities to achieve this designation will assist in ensuring delegations are granted where appropriate. To date the Manitoba Building Standards Board has established a subcommittee that began work on the requirements during the third quarter. This subcommittee is being led by the AMM representative of the Board.

FIRE INVESTIGATIONS

3.5.1 To continue to develop and support Arson Strike Force (ASF) models within the province.

The ASF unit was established to assist with community threats relative to arson activities. With the introduction of this model, the Agency has noted a sizeable decrease in the City of Winnipeg with respect to arson-related and suspicious fires. The success of this model, coupled with the fact

that over the last five years suspicious fires throughout rural Manitoba have increased, lead the Agency to develop similar models for rural Manitoba.

The OFC provides investigation services to the Province of Manitoba through an integrated, accessible and dedicated network of fire investigators. The Agency has developed partnerships with the RCMP and fire services in both the City of Brandon

and the City of Thompson and developed an integrated response team similar to that of the Winnipeg ASF.

The Agency provides fire investigation services as part of the OFC mandate. The ASF model requires additional commitments of existing staff, which can only be achieved through reduction of services in other areas. There is also additional overtime costs associated with these call outs. The Agency will continue to monitor staff time and commitment, and ensure that it maintains service while being fiscally responsible.

3.5.2 To continue to build upon a joint arson strategy with the RCMP that will address the increasing rates of arson in both urban and rural locations in Manitoba.

As discussed, there has been a noted increase in suspicious and arson-related fires in

rural Manitoba. During the third quarter of 2007/08, the Agency met with the RCMP to discuss a long-term strategy to deal with arson issues. This resulted in a joint agreement that will allow the Agency to respond to areas with the RCMP major crimes unit that are problematic.

The OFC and the RCMP realize that quick response, community involvement and on-scene investigation of high arson areas are paramount to the success of this joint strategy. Both organizations will be providing staff resources and time when faced with an area that has high arson activity. During the 2008/09 year, an initiative was undertaken in Long Plains First Nation in response to the community experiencing a significant arson problem. Upon the conclusion of a joint investigation by the RCMP and OFC, several arrests were made and subsequently no arson related fires have occurred in the community.

EMERGENCY RESPONSE

3.6.1 To continue to prepare for and respond to emergencies and disasters in the province too large, technical or complex to be handled by the local municipal or mutual aid system.

Recent legislative changes in the FPERA have mandated the Agency to prepare for and respond to emergencies and disasters. As such, the Agency provides a critical link in Manitoba's safety infrastructure, through support of the municipal emergency response

system. This Section provides emergency response to all areas in the province when:

- Requested by a municipality or government agency;
- An incident is too large/complex for the responding agency to handle;
- An effective Incident Command model is not demonstrated;
- A lost person GSAR is required;



Ice Rescue Training



Tower Rescue Exercise

- Where the responding Agency does not have the capabilities to handle any hazardous materials incident or CBRN event;
- Any USAR is required; and
- Any emergency is deemed to be provincial in nature.

As the Agency is mandated to provide emergency response in the Province of Manitoba, the ability to remain a leader in the emergency services field is important. Through several initiatives, the OFC has become the leader in Manitoba for the proficient response to incidents involving hazardous materials, wildland urban interface fires, GSAR, USAR and incident command/management of major provincial/municipal emergencies.

The Agency has responded to 28 emergency incidents during the 2008/09 business year.

3.6.2 To continue to develop and maintain the capability of USAR within Manitoba.

The Province of Manitoba, through Treasury Board, directed the OFC to develop a USAR capability for the province. This project was a federally funded initiative with the province committing 25 per cent of the funding and

the federal government committing 75 per cent.

USAR is defined as: "the location of trapped persons in collapsed structures using dogs and sophisticated search equipment; heavy equipment such as cranes to remove debris; the work to breach, shore, remove and lift structural components; the treatment and removal of victims; and the securing of partially or completely collapsed structures".

Throughout 2004 and 2005, the Agency has developed and equipped this highly specialized team of over 100 individuals from the OFC, RCMP, Manitoba Hydro, municipal fire services, RHA and Winnipeg Police K-9 Unit and has been noted as only one of five teams in Canada that is federally sponsored and recognized.

The Agency has continued to build on the expertise and skills of this very valuable team through team training and meetings in the first quarter. A National team deployment occurred in the third quarter and a major provincial exercise took place in the fourth quarter.

3.6.3 To continue to support, develop and ensure sufficient resources are available to respond as part of the provincial Chemical Biological Radiological and Nuclear (CBRN) and the provincial hazardous materials response team.

Over the past year, the Agency has been active in the delivery of CBRN basic level training to the emergency response departments of Manitoba in an effort to ensure that initial responders have the knowledge and ability to recognize a possible CBRN incident.

In 2007/08, six Agency staff members attended the Chemical Biological and Radiological Intermediate Training Program at the Canadian Emergency Preparedness College in Ottawa, Ontario as part of the

24 person Manitoba team and a provincial exercise was undertaken in the second quarter of 2007/08 with all team members.

The Agency will continue to maintain the provincial capabilities through monitoring of all responses to hazardous materials incidents by emergency services departments across Manitoba, educating and recertifying all team members and will ensure that all incidents are managed safely and effectively through the implementation of a proper Incident Command System. An exercise comprising all aspects of CBRN was completed in the second quarter.

3.6.4 To ensure timely information is provided to the media and public during times of emergency.

Due to recent large emergency response events, the Agency was directed to undertake a review with Communication Services Manitoba (CSM) on the manner in which immediate updates are provided to both the media and general public. As a result of the concerns expressed, the Agency met with CSM in 2007/08 and developed a process in which immediate release of information/updates by OFC staff will be undertaken.

During large scale events the Agency will ensure that media notifications will be done in a timely manner and consistent with the agreement between CSM and the OFC. During the fourth quarter the Agency provided training and education from CSM to further enhance the ability of officers to deal with the media on scenes of large scale emergencies.

3.6.5 To continue to support, develop and enhance the provincial GSAR team.

The responsibility for GSAR in Manitoba rests with the police agency having jurisdiction. Through a MOU between the Agency and the RCMP, and as directed by the Province's Emergency Plan, the Agency provides logistical support to search and rescue operations and

is responsible for the training, development and coordination of the volunteer GSAR team network. As previously discussed in this Section, the authority to ensure an effective Incident Command System is implemented at all provincial emergency incidents remains with the Agency.

The Manitoba Provincial GSAR network has been developed over the past 12 years through the provincial mutual aid network as well as the First Nations Tribal Council areas across the province. Presently there are 28 active volunteer GSAR teams trained and equipped to respond across the province.

This year the Agency has developed the following action plans:

- Continue to maintain the Provincial GSAR volunteer team network through the delivery of certified training programs at the district level, hosting of an annual Provincial GSAR training exercise, and offering a winter rescue and survival training program for GSAR personnel;
- Continue to support the RCMP and other police agencies having jurisdiction by providing logistical support and coordination of volunteer SAR teams, as well as ensure an effective Incident Command System is implemented at all GSAR incidents across Manitoba;
- Continue to work with the WPS to develop an effective GSAR network within the City of Winnipeg.

In addition, under a Federal New Initiatives Fund (NIF) for Search and Rescue, the Agency will host an annual multi-agency GSAR exercise in the second quarter and provide winter rescue and survival training programs to GSAR personnel in the fourth quarter.

The Agency has responded to nine GSAR incidents at the request of the RCMP or WPS during the 2008/09 year.

3.6.6 To continue to support Manitoba Conservation and municipalities when communities and property are threatened by wildland urban interface fires.

The responsibility for wildfire suppression rests with municipalities in organized areas of the province and with Manitoba Conservation in the unorganized territory. The Agency remains committed to providing life and property protection support across the Province of Manitoba in support of provincial or municipal agency suppression efforts.

The OFC responded to three calls for assistance regarding urban interface fires in the 2008/09 year.

3.6.7 To continue to support police services in responding to illegal drug operations such as methamphetamine laboratories and marijuana grow operations.

All sources of information indicate that there appears to be an increase in illegal drug lab and grow activity in the province. In response to this concern the Agency has developed a MOU with the RCMP to assist them in the safe mitigation of these operations by providing the necessary fire and rescue protection, specialized hazmat services and Building and Fire Code inspections of sites.

The Agency hosted a two-day joint training exercise with the RCMP Clandestine Drug Lab Team in 2008/09 and will continue to provide response during illegal drug operations.

The Agency has responded to 21 illegal drug operations in the 2008/09 year.

3.6.8 To work with the Department of Intergovernmental Affairs, Emergency Measures Organization (EMO) and other

affected departments to improve the governance, accountability and coordination of provincial emergency preparedness and emergency response in Manitoba.

The October 2007 Conference Board of Canada *A Resilient Canada: Governance for National Security and Public Safety*, found that senior public and private sector leaders responsible for emergency preparation and response do not consider natural disaster, terrorism, cyber-attacks or pandemics as the greatest threat to national security and public safety. "Instead they believe that the greatest threat to national security and public safety is the lack of clarity around governance."

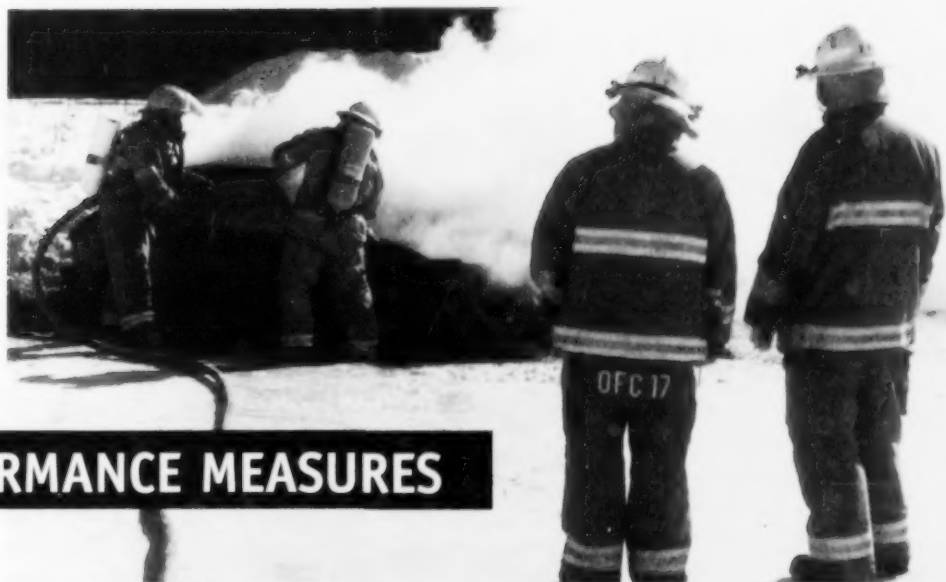
Other provinces and territories in Canada have adopted emergency management models where the major emergency planning and emergency response agencies are organized under a single governance and accountability structure.

Manitoba Labour and Immigration and the OFC will work closely with the Department of Intergovernmental Affairs and EMO to establish a stronger governance and accountability structure for emergency preparedness and emergency response in Manitoba.

Throughout the 2008/09 year, the host departments and the OFC and EMO have worked towards a more efficient and effective governance and accountability structure for emergency preparedness and emergency response in Manitoba. Other departments with related mandates have also been consulted to develop a common understanding of responsibilities and approach to emergency and disaster preparedness and response in Manitoba. Further developments will continue on this issue in 2009/10.

4

PERFORMANCE MEASURES



Training at Iqaluit Fire Department

Emergency Services/Municipal Support

The fire service in North America has traditionally been reactive. It responds to emergency situations as they arise with less emphasis on prevention.

The Agency wants to help ensure that the Manitoba Fire Service places an emphasis on prevention and education in an effort to minimize the number of life and property threatening incidents that occur. To this end, the Agency has developed a Five Step Action Plan for the Municipal fire service. The Agency will continue to work with the Manitoba fire departments to help implement the program.



INDICATORS	2008/09	2007/08	2006/07
Attendance of Emergency Services Officers or OFC representative at Mutual Aid and Training District meetings.	94%	92%	90%
OFC Management to attend one Mutual Aid District Meeting per district per year.	97%	100%	100%
Requests for assistance from municipal council or fire department responded to within 3 working days	91%	85%	92%
Requests for fire inspection from all client groups responded to within 5 working days	91%	92%	87%
Delivery of Elected Officials Seminars at the Mutual Aid level	8	7	8

Caption K9 Flash Explosive Search training

Education and Training

The MESC provides training in program areas including Fire Fighting Practices, Fire Service Instructor, Public Safety, Rescue, Hazardous Materials, Driver/Operator, Institutional Fire Protection, Fire Officer, Fire Investigation, Building Standards and Fire Prevention

The large number of graduates from these MESC courses helps ensure that the province maintains a network of trained emergency



High Angle training

response personnel. In addition to providing free training to our traditional Manitoba client, the MESC has been seeking revenue sources through new clients.

MESC PROGRAMS

2008/09

2007/08

Number of people taking courses from MESC	4736	6425
Gainful employment for PFP Program students in an emergency service career within 1 year of graduation	85%	82%
Overall satisfaction rating of MESC programs by Public Fire Paramedic Program students	90%	90%
Satisfaction rating of individual courses offered by college (scale of 10) to all client groups	9.25	8

CRITICAL INCIDENT STRESS MANAGEMENT (CISM)

The OFC initiated, developed and now maintains a provincial network of trained Critical Incident Stress Management personnel. Their primary role is to provide support to the first responders who are engaged in critical incidents to mitigate the negative psychological affects that such incidents can have on the personal and career lives of these responders.



CISM training

2008/09

2007/08

Maintain 7 Provincial Teams	7/7	7/7
Response to CISM requests at the regional levels responded to within 4 hours	100%	95%
Response to CISM requests at the provincial levels responded to within 1 hour	100%	98%
Number of Advanced and Basic courses offered	6 Basic Completed 3 Advanced Delivered	7 Basic Completed 3 Advanced Delivered

Codes and Standards

	2008/09	2007/08
1 Time to process building permits (% within 9 working days)	92%	96%
2 Delivery of awareness seminars for RV/Mobile Home dealers re: safety requirements	3	4
3 Develop delivery of educational programs with other government agencies	3	2
4 Delivery of contractor information sessions	3	4

The Codes and Standards section plays an important role in public safety. By reviewing building plans, inspecting buildings and providing consultative services to the public, the staff work to ensure that buildings meet the Provincial Building, Fire and Plumbing

Codes and do not present a serious threat to public safety. The goal of this section is to reduce injuries, deaths and property losses arising from substandard construction. We cannot readily quantify these public benefits.

FIRE INVESTIGATIONS

Fire Investigations are conducted by members of the Manitoba Fire Service or the OFC in co-operation with police authorities and the insurance industry. Clients call upon the services of our fire investigators for situations such as fire fatalities, serious injuries, explosions, fires where origin or cause cannot be determined and any fire resulting in a major loss to the community.

The goal of the OFC is to see the number of investigations decline. This would reduce operating costs through the reduction of

overtime paid to investigators. The key to achieving this goal is to continue training members of the Manitoba Fire Service in fire investigations. This would allow OFC investigators to deal with the more critical investigations.

The investigation work done by the Agency assists in the laying of criminal charges and conviction of criminals. No specific targets are set in these areas as the number of charges and convictions fluctuate with the number of arson incidents. Decisions



OFC's K9 Murphy at a Search and Rescue training exercise

made and actions taken by the police and prosecutors influence both the number of charges and convictions.

Where arson is the cause of a fire, there can be savings to the insurance industry through reduced payouts. Investigative work also identifies how a structure performed during a fire which provides valuable evidence as to the adequacy of existing building codes. The knowledge gained is used to provide input into the code setting process.



Ventilation training

INDICATORS	2008	2007	2006
1 Fire Investigations	693	7/7	738
2 Percentage for which cause was determined	83%	95%	83%
3 Decrease in Arson Suspicious Fires Province Winnipeg	15% 6%	21% (13%)	(13%) 13%
4 Deliver 2 Youth Fire Stop Programs to investigation and support Agencies	3	3	3

Emergency Response

INDICATORS	2008/09	2007/08	2006/07
1 Fire Investigations	100%	100%	100%
Percentage for which cause was determined	43	30	29

5



FINANCIAL DISCUSSION AND ANALYSIS

REVENUES (000's)

Levy – The amount recorded as levy revenue is the actual amount received to the end of May 2008 against fire levy returns filed for the calendar year 2007. The insurance premiums to which the levy is applied increased \$24,000 over the previous year.

Codes & Standards – Codes & Standards revenue is \$171 under last year and \$620 over budget. Revenue from this source fluctuates significantly with economic cycles, particularly building construction.

Tuition and Contract Revenue – Tuition and contract revenue is \$221 over last year as the Manitoba Emergency Services College delivered the PFPP program to an additional 16 students this year and tuition for the PFPP program increased during the year. Tuition and contract revenue is \$266 under budget due to lower than expected revenue from the Manitoba Emergency Services

College's fee for service courses. Our primary customer for training, the Manitoba Fire Service, continues to receive training at no charge.

New Search and Rescue (SAR) Initiative Fund (NIF) Grant – The purpose of this grant is to enhance Manitoba search and rescue capabilities by developing the volunteer search and rescue system aimed at Northern and remote areas of Manitoba. No grants were applied for this year.

JEPP (Joint Emergency Preparedness Program) Capital Grant – The amount of \$129 represents revenue taken in from the deferred revenue account for capital asset purchases, as discussed in the Notes to the Financial Statements.



Thompson Hazmat Exercise

JEPP (Joint Emergency Preparedness Program) Initiative Operating Grant -

The purpose of this grant is to provide for the continued maintenance, training and education and scheduled team meetings and exercises to support the HUSAR and HAZMAT capability within the Province of Manitoba. Grants totaling \$404 were applied for this year.

Interest - Interest revenue is earned on the cash surplus accumulated in March 2007 when funds for the Fires Prevention Fund were received for the current fiscal year. The surplus is drawn down throughout the year to finance OFC operations and capital spending.

Summary - Agency revenues are over budget by \$1,205 because permit and levy revenue continue to be strong. The favourable variance in JEPP operating grants is offset by the unfavourable variance in tuition revenue.

EXPENDITURES

Salaries & Benefits - Salaries and benefits are \$514 over last year and \$215 over budget as a result of a larger staff and overtime payments.

Vehicle Lease - Vehicle Lease costs are \$31 over last year because of rising fuel costs and \$29 under budget.

Travel - Travel costs are \$168 over last year and \$263 over budget. Some of this unfavourable variance is offset by the favourable variances on the Emergency Response and Cost Recovery lines.

Amortization - Amortization costs are \$42 over last year and \$46 over budget.

Mutual Aid - The mutual aid line item represents incentive grants given to mutual aid districts to encourage the delivery of training programs in their districts with their own personnel. Certain criteria must be met before a grant will be issued. This amount is \$14 over last year and \$29 over budget. We also received an unbudgeted grant from IGA to increase the mutual aid incentive grants.

Supplies - Supply costs are \$433 over last year and \$547 over budget due to higher than expected supply costs in all sections of the Agency. Some of this unfavourable variance is offset by the favourable variances on the Emergency Response and Cost Recovery lines.

Professional Services - Professional services costs are \$69 under last year and \$63 over budget. Positions were filled this year that were contracted last year and consultants were used this year for green building code issues.

Emergency Response - Accounts that currently absorb these expenditures include travel and supplies.

Summary - Overall, expenditures have increased by \$918 over last year and are \$754 over budget. The Agency earned a surplus of \$489 versus a surplus of \$663 last year.

OFFICE *of the* FIRE COMMISSIONER



Management's Report

For the year ended March 31, 2009

The accompanying financial statements of the Office of the Fire Commissioner are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within the reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 11, 2009.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and that the assets of the Office of the Fire Commissioner are properly safeguarded.

The responsibility of the auditor is to express an opinion of whether the financial statements of the Office of the Fire Commissioner are fairly presented in accordance with Canadian generally accepted accounting principles. The auditor's report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

Douglas M. Popowich
Fire Commissioner

Christopher L. Jones
Deputy Fire Commissioner

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

Financial Statements
For the year ended March 31, 2009

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Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Office of the Fire Commissioner, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2009 and the statements of operations and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 14, 2009

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OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet
(In Thousands)

March 31 2009 2008

Assets

Current Assets

Cash	\$	3,888	\$	4,437
Short-term investments (Note 4)		3,500		3,000
Accounts receivable (Note 5)		1,803		1,463
Accrued interest		-		1
Due from Province of Manitoba - Severance (Note 6)		-		311
Due from Province of Manitoba - Vacation Pay (Note 6)		-		248
Prepaid expense		60		50
		<u>9,251</u>		<u>9,510</u>

Non-Current Assets

Long term investment (Note 6)		559		-
Capital assets (Note 7)		6,566		6,129
		<u>7,125</u>		<u>6,129</u>
	\$	<u>16,376</u>	\$	<u>15,639</u>

Liabilities and Equity

Current Liabilities

Accounts payable	\$	279	\$	798
Accrued liabilities		1,465		693
Deferred revenue		352		282
Current portion of obligation under capital lease (Note 16)		28		-
		<u>2,124</u>		<u>1,773</u>

Non-Current Liabilities

Obligation under capital lease (Note 16)		171		-
Severance liability (Note 8)		427		393
Deferred contributions (Note 11)		648		626
		<u>1,246</u>		<u>1,019</u>

Equity

Contributed capital (Note 9)		11,279		11,279
Water Bomber Reserve Fund (Note 12)		200		200
Canine Training Reserve Fund (Note 13)		40		33
Retained earnings		1,487		1,335
		<u>13,006</u>		<u>12,847</u>
	\$	<u>16,376</u>	\$	<u>15,639</u>

Approved on behalf of the Special Operating Agency Advisory Board:

Chairperson

Fire Commissioner

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Retained Earnings
(In Thousands)

For the year ended March 31	2009	2008
Opening balance	\$ 1,335	\$ 854
Net income and comprehensive income for the year	160	489
Canine Training Reserve Fund Allocation (Note 13)	(8)	(8)
Closing balance	\$ 1,487	\$ 1,335

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Operations
(In Thousands)

For the year ended March 31	2009 Actual	2008 Actual	Actual Variance	Budget (Unaudited)	Budget Variance
Revenue					
Levy	\$ 5,719	\$ 5,362	\$ 357	\$ 5,025	\$ 694
Codes and standards	1,404	1,970	(566)	1,900	(496)
Tuition and contract revenue	1,230	1,134	96	1,400	(170)
JEPP initiative grant (Note 11)	668	404	264	225	443
Grant - Budgeting for Outcomes	400	-	400	-	400
JEPP capital grant (Note 11)	142	129	13	186	(44)
Other revenue	136	76	60	50	86
Emergency services conference	133	98	35	100	33
Grant - Mutual Aid	130	70	60	130	-
Interest	84	199	(115)	100	(16)
Fire inspections, investigations and reports	39	14	25	12	27
New SAR Initiative (NIF) - Grant (Note 10)	34	-	34	-	34
Rent	-4	5	(1)	-	4
Grant - Health	-	110	(110)	-	-
	10,123	9,571	552	9,128	995
Expenses					
Salaries and benefits	5,070	4,795	275	5,200	(130)
Amortization	853	761	92	951	(98)
JEPP and HUSAR initiative	668	-	668	30	638
Travel	465	603	(138)	350	115
Vehicle lease	459	421	38	450	9
Supplies	421	767	(346)	180	241
Repairs and maintenance	318	302	16	270	48
Mutual Aid	222	154	68	255	(33)
Rent	208	244	(36)	185	23
Desktop management	207	172	35	165	42
Communications	170	170	-	165	5
Property taxes	139	134	5	135	4
Insurance	127	101	26	110	17
Minor capital	101	20	81	-	101
Labour services	95	95	-	96	(1)
Utilities	87	84	3	77	10
Fuel - Owned vehicles	71	66	5	60	11
Professional services	70	157	(87)	96	(26)
Clothing	42	27	15	30	12
Postal and courier	34	50	(16)	40	(6)
Professional development	32	14	18	31	1
Public education material	30	46	(16)	29	1
Marketing	27	22	5	20	7
Other	23	22	1	25	(2)
Publications	21	30	(9)	25	(4)
Memberships and subscriptions	11	5	6	3	8
Buildings standards board	6	1	5	3	3
Seminar and conference registration	4	4	-	8	(4)
S.O.A. Board	3	1	2	4	(1)
Photofinishing	1	2	(1)	2	(1)
Information systems	(22)	3	(25)	-	(22)
Bad debt	-	2	(2)	-	-
Emergency response	-	-	-	80	(80)
Loss on asset disposition	-	-	-	15	(15)
Cost Recovery	-	(193)	193	-	-
	9,963	9,082	881	9,090	873
Net income and comprehensive income for the year	\$ 160	\$ 489	\$(329)	\$ 38	\$ 122

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows
(In Thousands)

For the year ended March 31	2009	2008
Cash Flows from Operating Activities		
Net income for the year	\$ 160	\$ 489
Items not involving cash		
Amortization of capital assets	853	761
	<u>1,013</u>	<u>1,250</u>
Net change in non-cash working capital balances	787	(50)
	<u>1,800</u>	<u>1,200</u>
Cash Flows from Investing Activities		
Proceeds on disposition of assets	-	3
Purchase of capital assets	(1,290)	(1,429)
	<u>(1,290)</u>	<u>(1,426)</u>
Net increase (decrease) in cash and cash equivalents	510	(226)
Cash and cash equivalents, beginning of year	7,437	7,663
Cash and cash equivalents, end of year	\$ 7,947	\$ 7,437
Represented by:		
Cash and bank	\$ 3,888	\$ 4,437
Short-term investments	3,500	3,000
Long term investment	559	-
	<u>\$ 7,947</u>	<u>\$ 7,437</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Summary of Significant Accounting Policies

March 31, 2009

Basis of Accounting

The financial statements are presented in accordance with Canadian generally accepted accounting principles (GAAP).

Capital Assets

Buildings, fire engines, other vehicles and air compressors transferred to the SOAFA from the Government of Manitoba on April 1, 1996 were valued at the lower of their amortized cost or estimated market value. All other assets transferred from the Government of Manitoba on April 1, 1996 were valued at their market value.

The Agency provides for amortization of its capital assets on the following basis:

Buildings	5% declining balance
Practical training site	10% declining balance
Equipment	20% declining balance
Fire engines	30% declining balance
Other vehicles	30% declining balance
Air compressors	20% declining balance
Furniture	20% declining balance
Computer equipment and software	30% declining balance

Inventory

Inventory is valued at cost.

Revenue Recognition

The Fires Prevention Act imposes a special assessment on licensed insurers equal to a set percentage of total property insurance premiums.

The Office of the Fire Commissioner collects this levy based on the value of premiums and assessments in respect to property insurance in a calendar year. Levy revenue with respect to the 2008 calendar year will be recognized as revenue in the fiscal year ending March 31, 2009. The levy rate is set at 1.25%.

Codes and standards, conference, and tuition and contract revenue is recognized when earned. Operating grant revenue is recognized as revenue when receivable. Grant revenue received for the purchase of capital assets is deferred and recognized as revenue in the same fiscal year and at the same rate as the amortization expense of the related capital assets.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Summary of Significant Accounting Policies

March 31, 2009

Capital Disclosures

The Agency's capital consists of contributed capital, Water Bomber Reserve Fund, Canine Training Reserve Fund and retained earnings.

The Agency's capital management policy is to maintain sufficient capital to meet its objectives through its retained earnings by managing transfers of surplus funds to the Province of Manitoba; meet short-term capital needs with working capital advances from the Province of Manitoba; and meet long-term capital needs through long-term debt with the Province of Manitoba. There were no changes in the Agency's approach to capital management during the period.

The Agency is not subject to externally imposed capital requirements.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

**Future Accounting
Policy Changes**

Recent accounting pronouncements that have been issued but are not yet effective, and have a potential implication for the Agency, are as follows:

Financial Statement Concepts

CICA Handbook Section 1000, Financial Statement Concepts has been amended to focus on the capitalization of costs that truly meet the definition of an asset and de-emphasizes the matching principle.

The revised requirements are effective for annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The Agency is currently evaluating the impact of the adoption of this change on the disclosure within its financial statements.

International Financial Reporting Standards

The AcSB plans to converge Canadian GAAP with International Financial Reporting Standards ("IFRS") over a transition period expected to end in 2011. The impact of the transition to IFRS on the Agency's financial statements has yet to be determined.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in Thousands)

March 31, 2009

1. Nature of the Office of the Fire Commissioner

Effective April 1, 1996, the Office of the Fire Commissioner was designated as a Special Operating Agency (SOA) under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 1996, a Transfer Agreement executed between the Government of Manitoba (Labour) and the Financing Authority, a corporation under The Special Operating Agencies Financing Authority (SOAFA) Act, transferred all assets in the Fires Prevention Fund valued at \$11,809 to the Financing Authority.

A Management Agreement executed between the Financing Authority and the Government of Manitoba (Labour) assigned responsibility to the Office of the Fire Commissioner to manage and account for the related assets and operations on behalf of the Financing Authority. The Office itself does not hold title to any assets. Effective April 1, 1996, the Financing Authority established a fund account referred to as the Fires Prevention Fund to hold these assets.

The Office of the Fire Commissioner will continue to be part of the Department of Labour and Immigration and ultimately under the policy direction of the Minister of Labour and Immigration.

The Office of the Fire Commissioner will remain bound by relevant legislation and regulations. It will also remain bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Office of the Fire Commissioner is economically dependent on the Province of Manitoba, as it derives most of its revenues from the Fires Prevention Levy.

2. Change in Accounting Policies

Effective April 1, 2008, the Agency adopted the following new handbook sections issued by the Canadian Institute of Chartered Accountants (CICA):

Section 1535 Capital Disclosures

Section 1535 establishes standards for disclosing information about an entity's capital and how it is managed. These standards require an entity to disclose its objectives, policies and processes for managing capital, a summary of quantitative data about what it manages as capital and whether it complied with any externally imposed capital requirements to which it is subject and, if not, the consequences of such non-compliance.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in Thousands)

March 31, 2009

2. Change in Accounting Policies (continued)

Section 3862 Financial Instruments - Disclosures

Section 3862 modifies the disclosure requirements for financial instruments that were included in Section 3861, *Financial Instruments - Disclosure and Presentation*. The new standards require an entity to provide disclosures in its financial statements that enable users to evaluate the significance of financial instruments on its financial position and performance, the nature and extent of the risks to which it is exposed during the period and at the balance sheet date, and how those risks are managed.

Section 3863 Financial Instruments - Presentation

Section 3863 carries forward the presentation requirements of Section 3861, *Financial Instruments - Disclosure and Presentation*, unchanged.

The above noted new standards have no impact on the recognition, measurement or presentation of financial instruments in the Agency's year end financial statements.

3. Financial Instruments and Financial Risk Management

Financial assets and liabilities are initially recorded at fair value. Measurement in subsequent periods depends on the financial instrument's classification. Financial instruments are classified into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

The financial assets and liabilities of the Agency are classified and measured as follows:

<u>Financial Asset/Liability</u>	<u>Category</u>	<u>Subsequent Measurement</u>
Cash and short-term investments	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accrued interest	Loans and receivables	Amortized cost
Due from Province of Manitoba	Loans and receivables	Amortized cost
Long term investment	Held for trading	Fair value
Accounts payable	Other financial liabilities	Amortized cost
Accrued liabilities	Other financial liabilities	Amortized cost

Amortized cost is determined using the effective interest rate method.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in Thousands)

March 31, 2009

3. Financial Instruments and Financial Risk Management (continued)

Gains and losses on financial instruments subsequently measured at amortized cost are recognized in the statement of operations and retained earnings in the period the gain or loss occurs. Changes in fair value on financial instruments classified as held for trading are recognized in the statement of operations and retained earnings for the current period. Changes in fair value on financial instruments classified as available for sale would be recorded in other comprehensive income until realized, at which time they recorded in the statement of operations and retained earnings.

Fair Value of Financial Instruments

The fair values accounts receivable, accrued interest, due from Province of Manitoba, accounts payable and accrued liabilities approximate their carrying values due to their short-term maturity.

Financial Risk Management - Overview

The Agency has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; market risk; interest risk; and foreign currency risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Agency to credit risk consist principally of cash and term deposits and accounts receivable.

The maximum exposure of the Agency to credit risk at March 31, 2009 is:

Cash and short-term investments	\$ 7,388
Accounts receivable	1,803
Long term investment	559
	<u>\$ 9,750</u>

Cash, short-term investments and long term investment: The Agency is not exposed to significant credit risk as the cash and term deposits are primarily held by the Minister of Finance.

Accounts receivable: The Agency is not exposed to significant credit risk as the majority of the receivables are due from other reliable organizations and payment in full is typically collected when it is due. The Agency establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, customer analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in Thousands)

March 31, 2009

3. Financial Instruments and Financial Risk Management (continued)

The change in the allowance for doubtful accounts during the year was as follows:

Balance, beginning of the year	\$	2
Amounts written off		(2)
		<hr/>
Balance, end of the year	\$	-
		<hr/>

Liquidity Risk

Liquidity risk is the risk that the Agency will not be able to meet its financial obligations as they come due.

The Agency manages liquidity risk by maintaining adequate cash balances and by review from the Province of Manitoba to ensure adequate funding will be received to meet the obligations.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Agency's income or the fair values of its financial instruments. The significant market risks the Agency is exposed to are interest rate risk and foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to short-term investments.

The interest rate risk on short-term investments is considered to be low because of their short-term nature.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Agency is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency.

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4. Short Term Investments

The short term investment balance represents funds on deposit with the Department of Finance of the Province of Manitoba with maturities of less than one (1) year.

5. Accounts Receivable

The accounts receivable balance is made up of the following:

	2009	2008
Insurance Branch of Department of Consumer & Corporate Affairs	\$ 182	\$ 288
Office of Critical Infrastructure Protection and Emergency Preparedness	1,090	912
National Resources Canada	176	71
Manitoba Mutual Aid Grant	130	-
Manitoba STEM	3	30
Manitoba Health	110	110
Other	112	54
	<u>1,803</u>	<u>1,465</u>
Less: Allowance for doubtful accounts	-	(2)
	<u>\$ 1,803</u>	<u>\$ 1,463</u>

6. Long Term Investment

The Province of Manitoba accepted responsibility for the vacation entitlements earned by the employees of the Agency prior to its designation as SOA, and the severance pay benefits accumulated to March 31, 1998 for certain of the Agency's employees. Accordingly, the Agency recorded a receivable of \$559 (\$311 for severance pay benefits and \$248 for vacation entitlements) from the Province of Manitoba for these accumulated benefits. Effective March 31, 2009 the Province of Manitoba paid the receivable balances related to the funding for these liabilities and has placed the amount of \$559 into an interest bearing trust account to be held on the Agency's behalf until the cash is required to discharge the related liabilities.

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7. Capital Assets

	Opening Balance	Additions	Disposals	Closing Balance
Buildings	\$ 4,827	\$ 522	\$ -	\$ 5,349
Buildings - JEPP	95	-	-	95
Training site	2,099	35	-	2,134
Training site - JEPP	203	9	-	212
Equipment	1,855	88	-	1,943
Equipment - JEPP	846	62	-	908
Fire engines	989	-	-	989
Other vehicles	452	54	-	506
Other vehicles - capital lease	-	280	-	280
Other vehicles - JEPP	99	94	-	193
Air compressors	437	124	-	561
Furniture	70	-	-	70
Computers	361	22	-	383
Computers - JEPP	12	-	-	12
Total cost	\$ 12,345	\$ 1,290	\$ -	\$ 13,635

	Opening Accumulated Amortization	Disposition	Current Year's Amortization	Accumulated Amortization
Buildings	\$ 1,507	\$ -	\$ 192	\$ 1,699
Buildings - JEPP	5	-	5	10
Training site	1,013	-	112	1,125
Training site - JEPP	45	-	17	62
Equipment	1,288	-	131	1,419
Equipment - JEPP	515	-	77	592
Fire engines	844	-	44	888
Other vehicles	307	-	60	367
Other vehicles - capital lease	-	-	84	84
Other vehicles - JEPP	53	-	42	95
Air compressors	290	-	54	344
Furniture	65	-	1	66
Computers	274	-	33	307
Computers - JEPP	10	-	1	11
Total amortization	\$ 6,216	\$ -	\$ 853	\$ 7,069
Net capital assets	\$ 6,129			\$ 6,566

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8. Severance Liability

Effective April 1, 1998, the Office of the Fire Commissioner began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The Agency's actuarially determined net liability for accounting purposes as at March 31, 2009 was \$427 (2008 - \$393). Commencing in the 2006 fiscal year the actuarial loss of \$81 is being amortized over the 15 year expected average remaining service life of the employee group.

Significant long-term actuarial assumptions used in the March 31, 2005 valuation, and in the determination of the March 31, 2009 present value of the accrued severance benefit obligation were:

Annual rate of return	
inflation component	2.50%
real rate of return	<u>4.00%</u>
	<u>6.50%</u>
Annual salary increase rates	
annual productivity increase	0.75%
annual general salary increase	<u>3.25%</u>
	<u>4.00%</u>

9. Contributed Capital

In consideration of the transfer of said assets effective April 1, 1996, the SOAFA shall:

- a) not incur or repay to the Government of Manitoba any debt relative to the assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance; and
- b) record the balance of \$11,038 (being the balance of the net assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance) as Manitoba's equity in the Financing Authority as related to the Agency's operations.

Due to a change in accounting policy, buildings were being amortized over 40 years as opposed to 30 years. This has resulted in a revaluation of buildings as at April 1, 1996. The value of buildings and contributed equity has increased \$241 as at April 1, 1996 to \$11,279.

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10. New Search and Rescue (SAR) Initiative (NIF)

On a quarterly basis, the Office of the Fire Commissioner applies for a grant from the National Search and Rescue Secretariat of the Department of National Defence. The purpose of this grant is to enhance Manitoba search and rescue capabilities by developing the volunteer search and rescue system aimed at northern and remote areas of Manitoba.

The New SAR Initiative (NIF) Grant line item reflects the grant received for the year ended March 31, 2009 of \$34 (nil in 2008).

11. Joint Emergency Preparedness Program (JEPP) Grant

The Office of the Fire Commissioner applies for grants from the Office of Critical Infrastructure Protection and Emergency Preparedness. The two purposes of these grants are to enhance the Province of Manitoba's ability to respond to hazardous material and heavy urban search and rescue emergency responses through the provision of equipment and training.

JEPP operating grant revenue for the year ended March 31, 2009 is \$668 (\$404 in 2008). An amount of \$142 was taken into revenue from the deferred revenue account for the amortization of the JEPP assets for the year ended March 31, 2009 (\$129 in 2008).

JEPP capital assets in the amount of \$165 have been purchased in the year ended March 31, 2009 (\$236 in 2008). JEPP deferred revenue is equal to the net book value of assets purchased with JEPP capital grants. JEPP deferred revenue as at March 31, 2009 is \$648 (\$626 in 2008).

12. Water Bomber Reserve Fund

The Agency received approval from Treasury Board in Fiscal 2005 to establish a special reserve fund for water bomber fire suppression activities. This fund is capped at an amount of \$200 and will be utilized to cover the costs associated with water bomber deployment for non-forest fire incidents occurring on Rural Municipality property. As at March 31, 2009, the Agency has allocated a total of \$200 to this fund from its retained earnings account.

13. Canine Training Reserve Fund

The Agency established a special reserve fund for replacing and training a rescue dog. The total cost to train a dog is estimated at \$40 and the average time a dog spends in service is six years. In March 2008, the Agency allocated \$7.5 to this fund from its retained earnings. A final allocation of \$7.5 was made this year to cap the fund at \$40. In the year after the fund is capped, an annual allowance will be included in the Agency's operating budget. Once this fund has been used it will be discontinued.

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14. Commitments and Contingencies

The Office of the Fire Commissioner as tenant has entered into a Lease Agreement with the City of Brandon as Landlord for the land upon which the practical training facility has been constructed. The term of the lease expires May 31, 2012. Minimum annual rent is \$11 due in equal monthly instalments, plus all operating costs with respect to the subject land.

Office equipment leases exist for three copy machines. The longest lease expires December 31, 2010.

The Office of the Fire Commissioner has entered into leases on a fleet of 38 vehicles.

These three categories of leases give rise to commitments as follows:

2010	\$	193
2011		163
2012		133
2013		115
2014		38

15. Pension Benefits

Employees of the Office of the Fire Commissioner are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Office of the Fire Commissioner, through the Civil Service Superannuation Fund (CSSF).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba the Office of the Fire Commissioner transferred to the Province the pension liability for its employees. Commencing April 1, 2001, the Office of the Fire Commissioner was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for March 31, 2009 was \$206 (\$191 in 2008). Under this agreement, the Office of the Fire Commissioner has no further pension liability.

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16. Obligation under Capital Lease

	2009	2008
Polaris Leasing Ltd., capital lease due November 1, 2013, interest at 7.318% per year with annual principal and interest payments of \$43 for the first 4 years and a final payment of \$79 in 2014.	\$ 199	\$ -
Current portion of obligation under capital lease	28	-
	<u>\$ 171</u>	<u>\$ -</u>

Obligations under capital lease are secured by the equipment under lease.

The future minimum lease payments for the next five years are as follows:

2010	\$ 28
2011	30
2012	32
2013	35
2014	74
	<u>\$ 199</u>



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Auditors' Report Schedule of Public Sector Compensation Disclosure

To the Special Operating Agencies Financing Authority:

We have audited the Schedule of Public Sector Compensation Disclosure (as defined under The Public Sector Compensation Disclosure Act) of the **Office of the Fire Commissioner**, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba for the year ended March 31, 2008. This financial information is the responsibility of the Agency's management. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information.

In our opinion, this schedule presents fairly, in all material respects, the compensation of the **Office of the Fire Commissioner**, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba greater than or equal to \$50,000 and the aggregate amount paid to its board members for the calendar year ended March 31, 2009 in accordance with, and as required by, The Public Sector Compensation Disclosure Act.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 16, 2009

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Schedule of Compensation Disclosure
(In Thousands)

For the year ended March 31, 2009

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2009, the following employees received compensation of wages and taxable benefits of \$50 or more:

Name	Position	2009	2008
D Popowich	Fire Commissioner	100	98
W Harrow	Investigator	94	97
C Hogarth	Investigator	90	80
D Singleton	Emergency Services Officer/Instructor	89	81
R Vandekerkhove	Manager, Operations East	86	98
C Jones	Deputy Fire Commissioner	82	86
G Favelle	Manager, Critical Incident Stress Management	82	79
K Giersch	Emergency Services Officer/Instructor	79	62
D Schafer	Manager, Operations West	79	81
K Ross	Assistant Fire Commissioner 3	78	-
D Beacham	Acting Manager, Codes and Standards	78	79
M Bedford	Emergency Services Officer	78	77
R Pike	Coordinator, Public Fire Paramedic Program	75	66
T Praznik	Emergency Services Officer/Instructor	74	61
R Gillis	Emergency Services Officer	73	69
R Denslow	Emergency Services Officer	73	65
R Bridges	Emergency Services Officer	71	77
J Burch	Controller	70	68
R Harvey	Coordinator, Rescue Programs	69	66
M Kerbis	Emergency Services Officer/Instructor	68	64
K Kroeker	Emergency Services Officer/Instructor	67	64
K Oman	Codes and Standards Officer	67	66
A Campbell	Codes and Standards Officer	65	62
G Giesbrecht	Emergency Services Officer/Instructor	65	64
K Carmichael	Emergency Services Officer	65	70
T Jennings	Codes and Standards Officer	64	63
T Grimshaw	Codes and Standards Officer	64	63
J Wedge	Codes and Standards Officer	64	66
S Wolf	Codes and Standards Officer	64	63
T Harper	Ch Service officer	64	-
L Oliver	Coordinator, Emergency Medical Programs	64	62
A Gray	Emergency Services Officer	64	62
J Panagapko	Emergency Services Officer/Instructor	63	62
S Dufresne	Emergency Services Officer/Instructor	63	62
K Popowich	Assistant Fire Commissioner 3	63	-
D Franchewski	Emergency Services Officer	62	67
G Winder	Emergency Services Officer/Instructor	61	63
B Popko	Manager, Manitoba Emergency Services College	61	60
E Cummings	Training Development Officer	60	60
R Hoglander	Codes & Standards Officer	60	55
D Romo	Codes & Standards Officer	60	55
D Friesen	Assistant Fire Commissioner 3	58	-
K Chemerika	Emergency Services Officer/Instructor	56	53

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For the year ended March 31, 2009

K Danino	Public Education Officer	56	54
C Knight	Assistant Fire Commissioner 3	55	-
M Emrick	Assistant Fire Commissioner 3	54	-
M Purtil	Assistant Fire Commissioner 3	51	-
L Wenger	Assistant Fire Commissioner 2	51	-
D Ashley	Admin Officer 1	50	-
R McDonald	Green Building Policy Development Officer	-	61
B Hollier	Manager, Administration and Support Services	-	52



Any disclosures of wrongdoing received by Office of The Fire Commissioner pursuant to *The Public Interest Disclosure (Whistleblower Protection Act)* will be reported in the annual report of Office of The Fire Commissioner.



Office of the Fire Commissioner

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